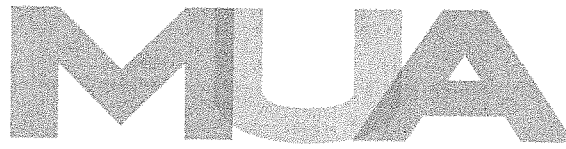


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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP**

**PSM 401 : PRODUCTION PLANNING AND CONTROL**

**DATE: 3<sup>RD</sup> APRIL 2017**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

**QUESTION ONE**

Read the Case Study below carefully and answer the questions that follow:

Kaka, papa and Job are partners trading as K enterprises. They are selling cushions, beauty products and have opened five branches in Nairobi, Meru, Embu, Kisii and Kisumu. For the last two years, sales in Meru, Embu and Kisumu branches have been declining at an alarming rate.

Earlier in the year, the manager of the three branches bought excess stock for their branches fearing that they may incur stock out costs as rumour spread that the manufacturers of cushions and beauty products may relocate to South Africa. They never did.

Faced with excess inventory and low sales, the manager sought intervention of triple K partners. The partner decided to distribute excess stock to streamline the management of the three branches. The affected three managers were sacked without benefits. The deputy managers in the affected branches were promoted. Before they took their offices you had a once day sessions with them as requested by triple K management.

**Required:**

- a) Discuss with the managers four factors that may cause the sales to decline  
(8 Marks)
- b) Explain in details to the managers:
  - i. Five reasons for holding stock (5 Marks)
  - ii. Stock out costs (4 Marks)
- c) Advise the affected managers on how they can deal with the problems they are currently facing  
(8 Marks)

**QUESTION TWO:**

- a) Define inventory. Discuss any three costs associated with inventory (7 Marks)
- b) Discuss the product life cycle by use of a diagram (8 Marks)

**QUESTION THREE:**

- a) Discuss the following materials management techniques (9 Marks)
  - i. Materials requirement planning

- ii. Manufacturing resource planning
  - iii. Just in time
- b) Give three reasons why plant layout decisions are important in organization  
(6 Marks)

**QUESTION FOUR:**

- a) Discuss four main objectives of production planning and control (4 Marks)
- b) Explain any four characteristics of a well designed service system (4 Marks)
- c) Highlight seven reasons to be considered for relocation of an existing operation facility (7 Marks)

**QUESTION FIVE:**

- a) Production planning and control is concerned with a well defined set of activities. Discuss on these four elements of routing, dispatch, expending and scheduling (9 Marks)
- b) Discuss the following production processes in terms of type of product, type of customer and demand volumes: (6 Marks)
  - i. Job shop production
  - ii. Batch production
  - iii. Continuous production

**QUESTION SIX:**

- a) Explain any five key challenges faced by a manager of production planning and control (5 Marks)
- b) Discuss any five tools of quality management in production and control operations (10 Marks)

